

paper tables of redemption values available.

(b) *Redemption penalty.* For bonds issued after May 1, 1997, redemption values published in the tables reflect the three-month interest penalty applied to bonds redeemed prior to five years from the issue date.

§ 351.52–351.59 [Reserved]

### Subpart D—Book-Entry Series EE Savings Bonds

#### § 351.60 How are book-entry Series EE savings bonds purchased and held?

Book-entry bonds must be purchased and held online through your New Treasury Direct account. We provide instructions for opening an account online at <http://www.publicdebt.treas.gov>.

#### § 351.61 What are the denominations and prices of book-entry Series EE savings bonds?

Book-entry bonds are issued in a minimum amount of \$25, with additional increments of one cent.

#### § 351.62 How is payment made for purchases of book-entry Series EE savings bonds?

Purchases of book-entry EE bonds are made through your New Treasury Direct account. We will debit your designated account at a United States depository financial institution for payment of the bonds.

#### § 351.63 How are redemption payments made for my redeemed book-entry Series EE savings bonds?

We will make payments electronically by direct deposit, using the ACH method, to your designated account at a United States depository financial institution.

#### § 351.64 What is the issue date of a book-entry Series EE savings bond?

The issue date of a book-entry savings bond is the first day of the month in which we receive ACH settlement for the bond.

#### § 351.65 What amount of book-entry Series EE savings bonds may I acquire per year?

The principal amount of book-entry bonds that you may acquire in any calendar year is limited to \$30,000.

#### § 351.66 What book-entry Series EE savings bonds are included in the computation?

(a) We include all bonds that you purchased in that calendar year.

(b) Bonds purchased as gifts or in a fiduciary capacity are not included in the computation for the purchaser.

(c) Bonds transferred or delivered from one New Treasury Direct account to another New Treasury Direct account are included in the computation for the recipient, unless the recipient has become entitled to the transferred bonds due to the death of the registered owner.

#### § 351.67 What happens if any person purchases book-entry Series EE savings bonds in excess of the maximum annual amount?

We reserve the right to take any action we deem necessary to adjust the excess, including the right to remove the excess bonds from your New Treasury Direct account and refund the payment price to your bank account of record using the ACH method of payment.

#### § 351.68 Are taxpayer identification numbers (TINs) required for registration of book-entry Series EE savings bonds?

The TIN of each person named in the registration is required to purchase a book-entry bond.

#### § 351.69 When is a book-entry Series EE savings bond validly issued?

A book-entry bond is validly issued when it is posted to your New Treasury Direct account.

#### § 351.70 How are redemption values calculated for book-entry Series EE savings bonds?

We base current redemption values (CRV) for book-entry Series EE savings bonds on the definitive savings bond CRV. We use the CRV for a \$100 principal amount as calculated in § 351.16 to calculate a CRV prorated to the book-

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entry principal investment amount for the corresponding issue and redemption dates. Calculated book-entry CRV will be rounded to the nearest one cent.<sup>3</sup> The formula is as follows:

[Book-entry principal investment + \$100] × [CRV value for \$100 principal amount].

### § 351.71 How can I find out what my book-entry Series EE savings bonds are worth?

(a) *Redemption values.* You may access redemption values for your book-entry bonds through your New Treasury Direct account.

(b) *Redemption penalty.* Redemption values shown in your New Treasury Direct account for bonds that are within 5 years from issue date reflect the three-month interest penalty applied to bonds redeemed prior to five years from the issue date.

## § 351.72–351.80 [Reserved]

### Subpart E—Miscellaneous Provisions

### § 351.81 Is the Education Savings Bond Program available for Series EE savings bonds?

You may be able to exclude from income for Federal income tax purposes all or part of the interest received on the redemption of qualified bonds during the year. To qualify for the program, you or the coowner (in the case of definitive savings bonds) must have paid qualified higher education expenses during the same year. You also must have satisfied certain other conditions. This exclusion is known as the Education Savings Bond Program. Information about the program can be found in Internal Revenue Service Publications. (For example, see Publication 17, “Your Federal Income Tax,” Publication 550, “Investment Income and Expenses,” and Publication 970, “Tax Benefits for Higher Education.”) These publications are available on the IRS Web site at <http://www.irs.gov>.

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### § 351.82 Does Public Debt prohibit the issuance of Series EE savings bonds in a chain letter scheme?

We do not permit bonds to be issued in a chain letter or pyramid scheme. We authorize an issuing agent to refuse to issue a bond or accept a purchase order if there is reason to believe that a purchase is connected with a chain letter. The agent’s decision is final.

### § 351.83 May Public Debt issue Series EE savings bonds only in book-entry form?

We reserve the right to issue bonds only in book-entry form.

### § 351.84 Does Public Debt make any reservations as to issue of Series EE savings bonds?

We may reject any application for Series EE bonds, in whole or in part. We may refuse to issue, or permit to be issued, any bonds in any case or class of cases, if we deem the action to be in the public interest. Our action in any such respect is final.

### § 351.85 May Public Debt waive any provision in this part?

We may waive or modify any provision of this part in any particular case or class of cases for the convenience of the United States or in order to relieve any person or persons of unnecessary hardship:

- (a) If such action would not be inconsistent with law or equity;
- (b) If it does not impair any material existing rights; and
- (c) If we are satisfied that such action would not subject the United States to any substantial expense or liability.

### § 351.86 What is the role of Federal Reserve Banks and Branches?

(a) Federal Reserve Banks and Branches are fiscal agents of the United States. They are authorized to perform such services as we may request of them, in connection with the issue, servicing and redemption of Series EE bonds.

<sup>3</sup>Example: Calculated value of \$25.044 rounds to \$25.04; calculated value of \$25.045 rounds to \$25.05.